

AR25




**THIRTY - FIVE
YEARS**

**OF PROGRESS
AND SERVICE**

9/26/2022



GATINEAU POWER COMPANY



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Y E A R S

O F P R O G R E S S

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D I R E C T O R S

A. Code Brittain	Hull, Que.
Arthur N. Carter, M.C., Q.C.	Saint John, N.B.
Jacques de Billy, Q.C.	Quebec, Que.
Victor M. Drury	Montreal, Que.
G. Gordon Gale	Ottawa, Ont.
Anthony G. S. Griffin	Toronto, Ont.
W. Fraser Hadley, E.D., C.D.	Hull, Que.
William K. Jacobs, Jr.	New York, N.Y.
Duncan K. MacTavish, O.B.E., Q.C.	Ottawa, Ont.
Irwin L. Moore	Boston, Mass.
John G. Porteous, Q.C.	Montreal, Que.
Lucien G. Rolland	St. Jerome, Que.
C. N. Simpson	Ottawa, Ont.

O F F I C E R S

G. Gordon Gale	Chairman of the Board and President
Irwin L. Moore	Vice-President
C. N. Simpson	Vice-President and General Manager
A. Code Brittain	Vice-President and Treasurer
Alan Brown	Commercial Vice-President
André E. Gadbois	Vice-President and Secretary
Arthur J. Chabot	Chief Engineer
Ralph C. Silver	Assistant Chief Engineer
D. E. McLaughlin	General Superintendent
Geo. W. Nesbitt	Assistant General Superintendent
R. E. Lewis	Chief Accountant
Austin Huxtable	Purchasing Agent

DISTRIBUTION DISTRICT MANAGERS

L. R. Cowan	A. A. Labelle	J. C. Burroughs
-------------	---------------	-----------------

REAL ESTATE AGENT

Henry de Puyjalon

DISTRIBUTION DIVISION MANAGERS

L. H. Moore	Shawville	D. A. Bussière	St. Jerome
Paul E. Proulx	Hull	Georges A. Richer	St. Jovite
Lionel Bonhomme	Maniwaki	Paul M. Bélanger	Ste. Adèle
Raymond Carignan	Papineauville	Guillaume Labelle	Rawdon
J. R. Carreau	Lachute	Jean Lafleur	Vaudreuil

MAINTENANCE SUPERINTENDENTS

J. J. Ryan	Electrical Department
J. Shifsky	Mechanical Department
T. J. McMahon	Transmission Line Department

POWER PLANT SUPERINTENDENTS

H. H. McClory	Paugan	R. A. Robinson	Bryson
J. C. Coyne	Chelsea	G. M. Burke	Kipawa
J. K. Patterson	Farmers	R. W. McAllister	Chaudiere

G A T I N E A U P O W E R C O M P A N Y

35 YEARS OF PROGRESS AND SERVICE



GATINEAU POWER COMPANY
HULL
QUEBEC

October, 1961.

This year Gatineau Power Company celebrates its thirty-fifth Anniversary and this booklet, supplementing the Quarter Century booklet which appeared in 1951, and the Thirty Year booklet issued in 1956, contains a review of the activities since the formation of the Company and more particularly during the past five years.

The constantly increasing demands for electric service show no signs of abatement, and we continue to study the past because of its bearing on the living present and its promise for the future.

G. GORDON GALE
Chairman of the Board and President

1926 - 1961

POWER RESOURCES

The hydro-electric power stations of the Company, located in Quebec, have a total installed capacity of 734,094 horsepower. This is supplemented by 118,000 h.p. of purchased power, bringing the total power resources up to 852,094 h.p.

PROVINCE OF QUEBEC

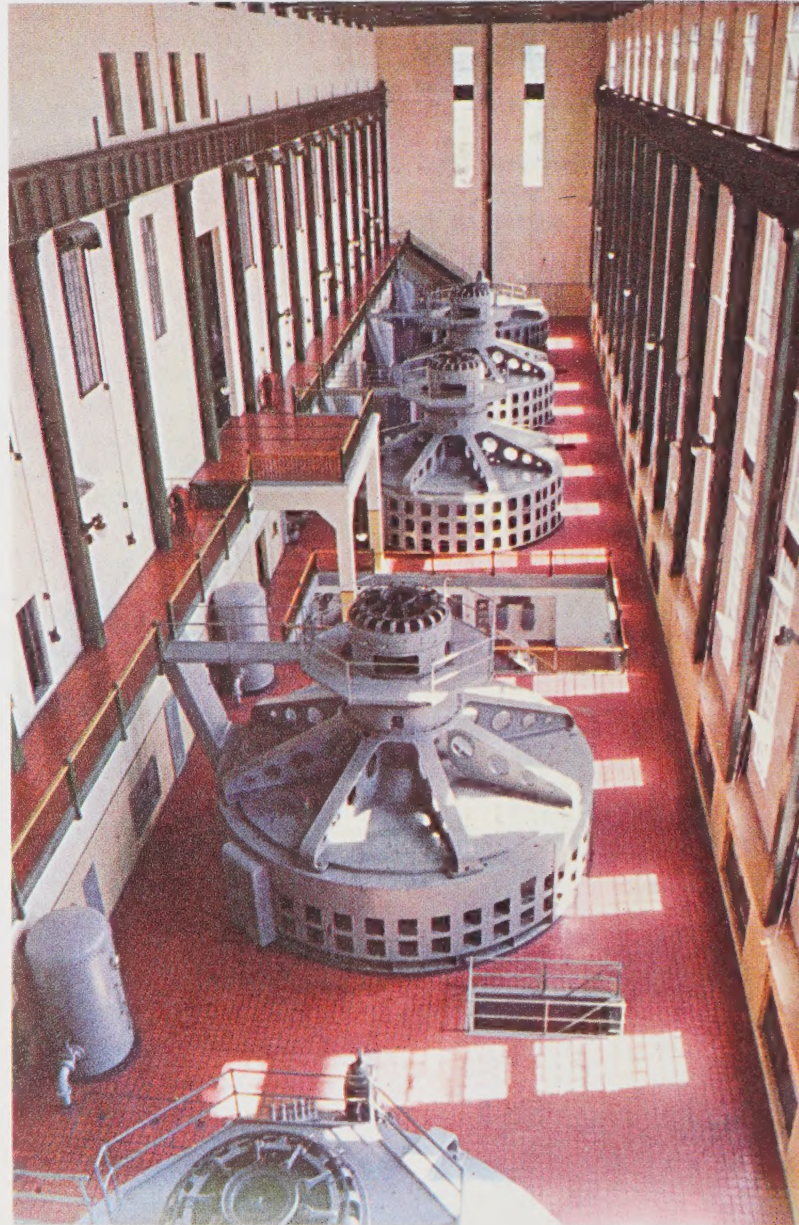
Gatineau River

Paugan	285,000 h.p.
Chelsea	170,000 h.p.
Farmers	120,000 h.p.
Corbeau Rapids	2,500 h.p.

Ottawa River

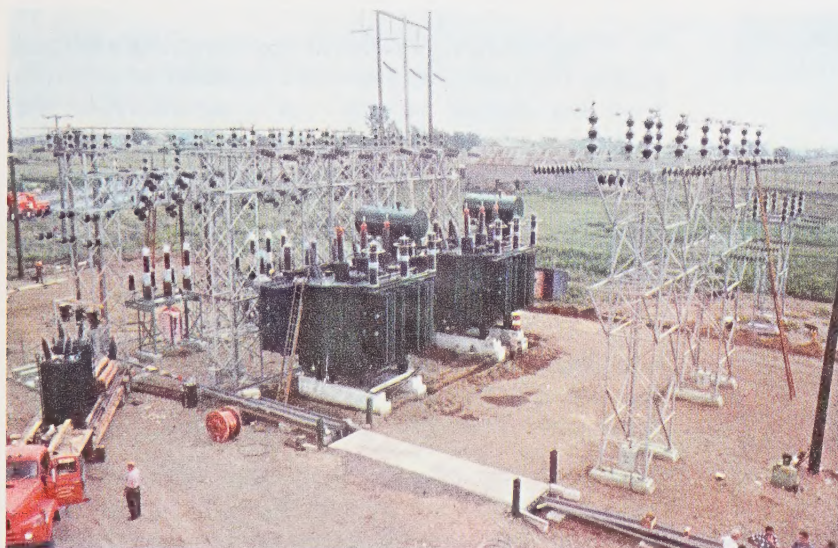
Bryson	78,400 h.p.
Chaudiere No. 1	14,100 h.p.
Chaudiere No. 2	22,500 h.p.
Kipawa	27,550 h.p.
* Seven small plants	14,044 h.p.
	<u>734,094 h.p.</u>

COMPANY RESOURCES	734,094 h.p.
Purchased power	118,000 h.p.
TOTAL	<u>852,094 h.p.</u>



Interior view of Chelsea hydro-electric plant :
170,000 h.p.

* The 7 small hydro-electric plants are located on the Rouge, Ouareau, Petite Blanche, Blanche, Petite Nation and North Rivers.



Paquin sub-station
80,000 kva — 115/69 kv

circuits cross the interprovincial boundary, over which is transmitted the electricity supplied to the Ontario Commission.

Gatineau Electric Light Company, Limited, also a subsidiary, has become an investment and development company, with name changed to GELCO Enterprises Ltd. A primary objective of GELCO will be to assist in the development of enterprises in the territory served by Gatineau Power Company in the western portion of the Province of Quebec. Funds for GELCO will be provided from the compensation received for Gatineau's New Brunswick system acquired by The New Brunswick Electric Power Commission.

Saint John River Storage Company, another subsidiary, owns and operates the Temiscouata Storage Reservoir in the Province of Quebec at the outlet of Lake Temiscouata about 25 miles northwest of the City of Edmundston, New Brunswick. The Storage Works are used to regulate the flow of the St. John River.

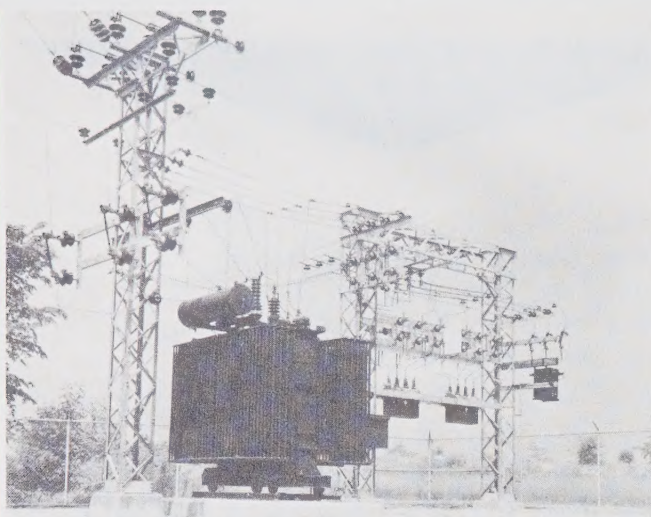
Two large reservoirs in the watershed of the Gatineau River were created by the Company and upon completion became the property of the Province of Quebec. They are operated by the Department of Natural Resources to regulate the flow of the Gatineau River for the benefit of the power plants thereon.

Gatineau Power Company was incorporated on March 11, 1926, and the following Review is presented on this thirty-fifth anniversary.

In the Province of Quebec, the Company is engaged in the business of generating, purchasing, transmitting, distributing and selling electricity in the area shown on the map on the inside back cover.

In the Province of Ontario, The Hydro-Electric Power Commission of Ontario and the Ottawa Hydro-Electric Commission purchase wholesale power from the Company.

Gatineau Transmission Company, a wholly owned subsidiary, owns and operates 55 circuit miles of high tension transmission lines. Four of these



Glenwood Domaine sub-station
3750/5000 kva — 26.4/13.8 kv



Large blocks of power are sold to Aluminum Company of Canada, Ayers Limited, Canada Cement Company, Canada Packers Limited, Canadian Industries Limited, Canadian International Paper Company, Canadian Refractories Limited, Dominion Ayers Wood Products Limited, Eddy Company, Hilton Mines Limited, J. C. Wilson Company, National Printing Bureau, New Calumet Mines Limited, Regent Knitting Mills Limited, Rolland Paper Company, Singer Mfg. Company, Thurso Pulp & Paper Company, Trans-Northern Pipeline and many others in the Laurentians and western section of the province.

These industries produce such diversified products as newsprint, fine papers, pulp, cement, minerals, lumber and other forest products, processed meats and meat packing, men's and women's clothing, cotton yarn and cloth, woollens, hosiery and knitted goods, food products, sheet metal products, feeds, printing and publishing, machinery, electrical apparatus and supplies, electrical appliances including automatic washing machines, rubber goods including footwear, and woodenware.

The wholesale and retail distribution system of the Company covers an area of about 5,000 square miles extending into the Counties of Pontiac, Hull, Gatineau, Papineau, Argenteuil, Vaudreuil, Soulanges, Deux Montagnes, Terrebonne, Labelle, Montcalm and Assumption in the western portion of the Province of Quebec. This area is

close to large industrial centers, high in agriculture, forest resources and mineral wealth, with excellent railway and highway networks, abundant labour and unparalleled recreational facilities.

The area is served by over 3,600 miles of steel tower lines and wood pole transmission and distribution lines and numerous transformer stations.

Division offices, capably staffed and centrally located at Shawville, Hull, Maniwaki, Papi-neauville, Lachute, Dorion, St. Jerome, St. Jovite, Ste. Adèle and Rawdon are available to serve the industrial, commercial and domestic customers who now number over 103,000.

The following review of the Company's affairs during the past five years is composed of excerpts from the annual reports and a summary of the highlights of the Company's activities during the first half of the current year.

1957 The total generated and purchased energy for the year was 3,827,275,690 kilowatt hours.

The power resources of the Company were increased by the purchase of an additional 20,000 horsepower from Hydro-Quebec.

By arrangement with The Hydro-Electric Power Commission of Ontario, four of the seven

A view of the new office building and garage in Dorion



generating units with the associated transformers and switching equipment at the Paugan Plant were changed over from 25 to 60 cycles.

Construction of a 240,000 volt transmission line was commenced between Lachute and Paquin five miles north of St. Jerome to provide for the increasing demand for electric service in the Laurentians.

A 15,000 kva sub-station was installed at Val Tétreau and the 26,400 volt system was extended to Deschênes and Aylmer.

A 41,000 kva transformer and a 10,000 kva regulator were installed in the sub-station at St. Jerome.

A 5,000 kva transformer was installed at Paugan to increase the power supply to the Maniwaki district.

Radio-telephone equipment was installed in the Vaudreuil Division.

Ninety miles of new pole lines and eighty-five miles of new circuits on existing poles were added to the distribution system.

1958 The total generated and purchased energy for the year was 4,057,158,430 kilowatt hours.

The power resources of the Company were increased by the purchase of an additional 10,000 horsepower from Hydro-Quebec.

Lachute garage with a number of the service and construction vehicles



The change-over from 25 to 60 cycles of the remaining three generating units at the Paugan Plant and the single generating unit at the Farmers Plant was completed.

Construction continued on the new 240,000 volt transmission line from Lachute to Paquin.

A 75,000 kva regulating transformer was installed at the Lachute Sub-station. A 13,500 kva 110,000 volt sub-station was constructed and placed in service at Papineauville.

The 26,400 volt transmission system was extended from St. Jovite to Arundel, from Labelle to l'Annonciation and from Wyman to Luskville.

New distribution sub-stations were placed in operation at Wyman, Luskville, Venosta and Lake Alouette.

The transmission line from Piedmont to Ste. Adèle was reinsulated for future operation at 69,000 volts.

Garages to accommodate trucks and service vehicles were constructed at St. Jerome and Lachute.

Radio-telephone equipment was installed in the Ste. Adèle Division.

Forty miles of new pole lines and ninety-three miles of new circuits on existing poles were added to the distribution system.

1959 The total generated and purchased energy for the year was 3,530,224,630 kilowatt hours.

The power resources of the Company were increased by the purchase of an additional 25,000 horsepower from MacLaren-Quebec Power Company.

The change-over to 60 cycles of the remaining 25 cycle generating unit at the Chelsea Plant was completed.

The 240,000 volt transmission line from Lachute to Paquin, north of St. Jerome was completed and placed in service temporarily at 110,000 volts. Surveys were started for the continuation of this 240,000 volt line between Paugan and Lachute.

Construction was commenced on a 69,000 volt line from Ste. Agathe to St. Jovite. The existing lines between Rawdon and Ste. Julienne, and between Paugan and Maniwaki, were being reinsulated for operation at 69,000 volts.



A view of the damage resulting from the sleet storm in February 1961

New distribution sub-stations were placed in operation at Grenville, Rivière à Gagnon, St. Lin, Pincourt on Ile Perrot, Templeton, Glenwood and Messines.

Construction of the new office building and garage at Dorion was completed.

Radio-telephone equipment was installed in the Rawdon Division to provide communication with service trucks.

Fifty-seven miles of pole lines and sixty-five miles of circuits on existing poles were added to the distribution system.

1960 The total generated and purchased energy for the year was 3,842,864,425 kilowatt hours.

The power resources of the Company were increased by the purchase of an additional 18,000 horsepower from Hydro-Quebec.

Surveys were completed for a 240,000 volt transmission line from Paugan to Lachute to connect with the new line from Lachute to Paquin, north of St. Jerome.

The 69,000 volt line from Ste. Agathe to St. Jovite was placed in service temporarily at 26,400 volts. Surveys were made for a 69,000 volt line from Paquin to New Glasgow. The rebuilding of existing 26,400 volt lines for future operation at 69,000 volts was continued between St. Jovite and l'Annonciation, New Glasgow and Rawdon, and Paugan and Maniwaki.

A 9,000 kva 110,000 volt sub-station and a 110,000 volt line were built at Thurso to supply power to the Singer Manufacturing Company and the Thurso Pulp and Paper Company. A second transformer, 15,000 kva 110,000 — 26,400 volt, was installed at Dorion, and 20,000 kva voltage regulators were installed at each of the Dorion and Lachute sub-stations.

A new distribution sub-station was placed in service at Bryson, the Ste. Adèle sub-station was rebuilt for future 69,000 volt operation, a 10,000 kva 26,400 volt transformer was installed at the St. Jerome Legault Street sub-station, and transformers were added to double the capacity of the 26,400 volt sub-stations at Wyman and Chelsea.

Forty-nine miles of pole lines and eighty-six miles of circuits on existing poles were added to the distribution system.

1961 The total generated and purchased energy for the six months ending June 30th was 1,723,200,260 kilowatt hours compared with 1,970,669,865 kilowatt hours for the first six months of 1960.

There were no sales of excess power from the Plants of the Company during the first half of this year owing to below average water conditions.

Water conditions have improved subsequently, permitting the sale of some excess power.

Replacing a pole by means of modern equipment



One of the worst sleet storms on record swept through Vaudreuil, Lachute, St. Jerome and Rawdon Divisions at the end of February.

Construction of an 80,000 kva 110,000 volt sub-station at Paquin is nearing completion.

Larger transformers for operation at 69,000 volts are being installed at Shawbridge, Piedmont and Ste. Adèle.

At Arundel the construction of a new 2,500

kva sub-station has been completed and larger transformers have been installed at Bryson and Campbell's Bay.

An extension to the garage at Maniwaki has been completed and a new garage is under construction at Ste. Adèle.

A two floor extension to the Head Office building in Hull is under construction to provide additional space for staff and equipment.

FINANCIAL STATEMENTS

During the past five years the growth of the Company continued and reached an all-time peak in both operating revenue and other income for a total of \$19,961,971.

Sources of operating revenue reflect a desirable trend in that retail industrial, domestic and general service revenue now represent 47% of the total as against 35% in 1955.

While the generating capacity of the Company has not been increased since the 47,000 horsepower unit at Pagan Falls Plant was brought into service early in 1956, extensive additions and improvements have been carried out on transmission lines, sub-stations and distribution systems at a capital cost of over \$13,000,000.

No new financing was required to cover these expenditures as they were provided from Company resources and retained earnings. At the same time, funded debt was reduced \$9,535,000 and there are no major maturities until 1970.

Under authority of enacted legislation the New Brunswick Electric Power Commission took possession on May 1, 1959 of the Company's New Brunswick system including the 80,000 h.p. hydro electric generating station at Grand Falls on the St. John River and the transmission line to Dalhousie.

The Company received a total of \$10,243,143.70 from The New Brunswick Power Commission, of which \$9,750,930 represents the amount of compensation admitted to be payable by it in respect of the Company's New Brunswick system acquired by the Commission. \$492,213.70, constituted interest at 5% per annum for the period May 1, 1959 to May 30, 1960.

Discussions with The New Brunswick Electric Power Commission are continuing in an effort to reach an agreement in regard to the Company's claim for compensation.

FINANCIAL STATISTICS

5

YEAR BALANCE SHEETS

ASSETS	1960	1959	1958	1957	1956
Capital Assets (Gross)	* \$147,253,176	\$154,497,861	\$152,242,848	\$149,804,201	\$148,056,066
Less Reserve for Depreciation	51,624,107	49,499,699	47,331,334	45,105,845	42,885,238
Capital Assets (Net)	95,629,069	104,998,162	104,911,514	104,698,356	105,170,828
Investments	190,995	190,995	190,995	207,692	224,358
Current Assets					
Cash	606,200	833,051	746,121	627,599	918,458
Marketable Securities	* 11,161,151	2,517,735	2,775,506	1,620,908	2,165,417
Accounts Receivable	1,524,014	1,399,714	1,618,839	1,538,890	1,368,872
Inventories	940,444	1,003,386	869,845	1,023,479	797,012
	14,231,809	5,753,886	6,010,311	4,810,876	5,249,759
Deferred Assets & Expenses	1,898,130	1,904,028	2,004,363	2,105,420	2,213,416
TOTAL	\$111,950,003	\$112,847,071	\$113,117,183	\$111,822,344	\$112,858,361
LIABILITIES					
Funded Debt					
First Mortgage Bonds 3% due 1970	\$ 41,977,000	\$ 42,785,000	\$ 42,967,000	\$ 42,992,000	\$ 44,094,000
First Mortgage Bonds 3 1/4% due 1970	5,292,000	7,145,000	7,186,000	7,197,000	7,303,000
First Mortgage Bonds 3 3/4% due 1973 ...	2,811,000	2,838,000	2,865,000	2,892,000	2,919,000
Property Purchase Obligation 5% due 1962	16,111	24,167	32,222	40,278	48,333
Sinking Fund Debentures 2 3/4% due 1961	148,000	787,000	787,000	903,000	2,550,000
Serial Notes 4 1/4% due 1963	300,000	400,000	500,000	600,000	700,000
	50,544,111	53,979,167	54,337,222	54,624,278	57,614,333
Current Liabilities	5,318,660	4,297,982	4,514,532	4,491,856	4,292,215
Deferred Credits					
Income Tax applicable to future years ...	2,095,500	1,927,500	1,687,500	1,462,500	1,192,500
Advances and other deferred credits	462,415	381,152	401,753	343,844	205,394
	2,557,915	2,308,652	2,089,253	1,806,344	1,397,894
Reserves	37,477	26,656	27,301	32,421	30,639
Capital Stock					
5% Cumulative Preferred (121,960 shares)	12,196,000	12,196,000	12,196,000	12,196,000	12,196,000
5 1/2% Cumulative Preferred (35,000 shares)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Common (1,662,480 shares)	25,426,897	25,426,897	25,426,897	25,426,897	25,426,897
	41,122,897	41,122,897	41,122,897	41,122,897	41,122,897
Earned Surplus	12,368,943	11,111,717	11,025,978	9,744,548	8,400,383
TOTAL	\$111,950,003	\$112,847,071	\$113,117,183	\$111,822,344	\$112,858,361

* \$9,750,930 received on account of compensation for expropriated property in New Brunswick deducted from capital assets and included in marketable securities.

FINANCIAL STATISTICS

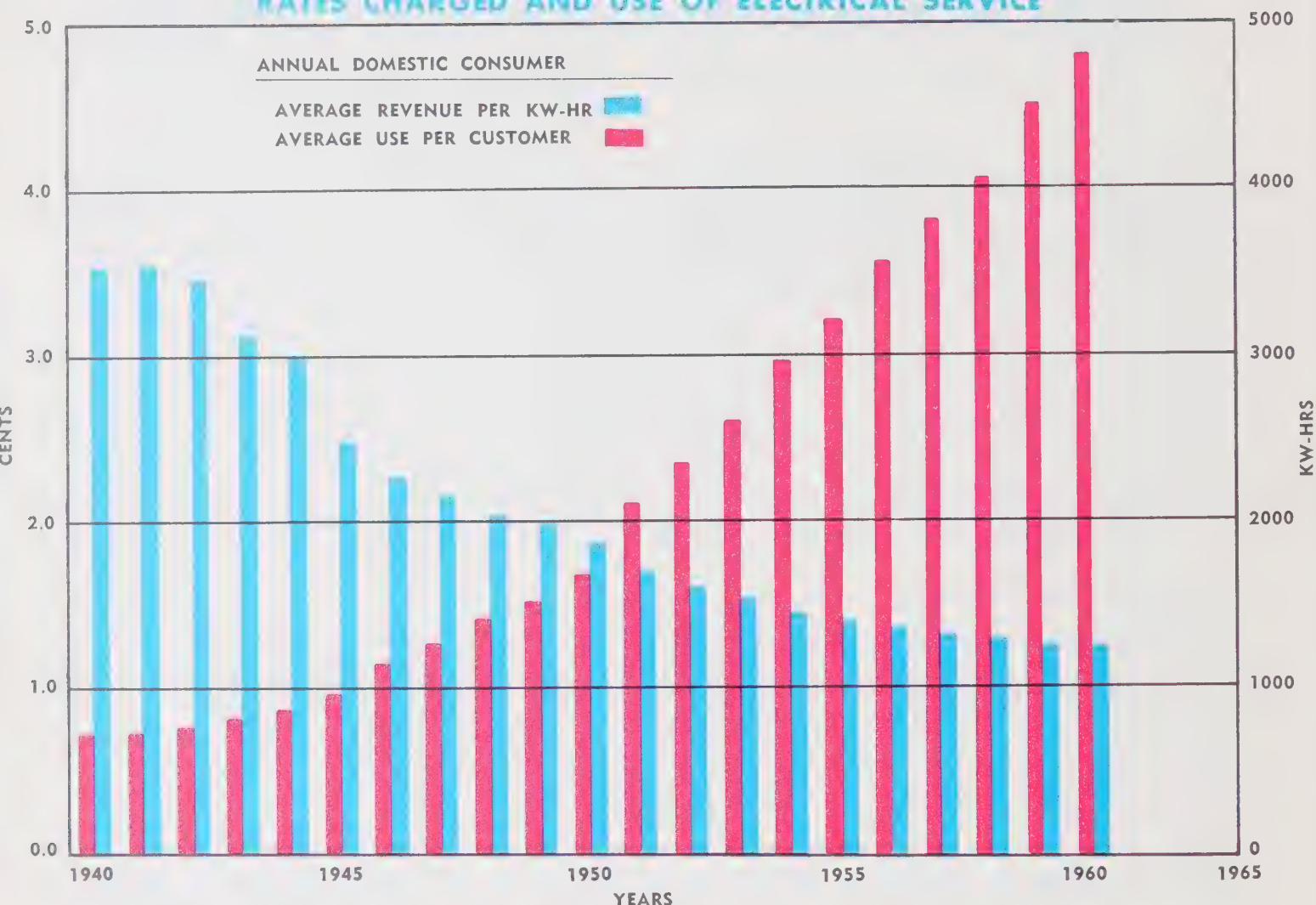


5 YEAR PROFIT AND LOSS STATEMENTS

OPERATING REVENUE AND OTHER INCOME :	1960	1959	1958	1957	1956
Operating revenue	\$ 19,212,493	\$ 18,109,567	\$ 18,896,393	\$ 17,671,188	\$ 16,915,359
Other income	749,478	334,151	299,823	273,734	187,943
	<u>19,961,971</u>	<u>18,443,718</u>	<u>19,196,216</u>	<u>17,944,922</u>	<u>17,103,302</u>
EXPENSES :					
Power purchased	1,939,398	1,757,567	1,114,178	866,848	644,317
Operating, Maintenance and General Expenses	4,142,456	3,805,182	3,868,270	3,466,151	3,140,335
Taxes — other than taxes based on income ..	1,290,327	1,163,475	1,207,903	1,178,131	1,096,558
	<u>7,372,181</u>	<u>6,726,224</u>	<u>6,190,351</u>	<u>5,511,130</u>	<u>4,881,210</u>
NET INCOME BEFORE INTEREST AND OTHER CHARGES :	<u>12,589,790</u>	<u>11,717,494</u>	<u>13,005,865</u>	<u>12,433,792</u>	<u>12,222,092</u>
DEDUCTIONS :					
Interest and Exchange	1,567,039	1,604,598	1,652,055	1,678,315	1,788,932
Amortization of discount and expense	143,823	143,823	143,823	143,823	143,823
Provision for depreciation	2,000,000	2,000,000	2,000,000	1,900,000	1,800,000
Provision for taxes based on income	4,329,600	3,879,300	4,169,793	3,940,171	3,893,636
	<u>8,040,462</u>	<u>7,627,721</u>	<u>7,965,671</u>	<u>7,662,309</u>	<u>7,626,391</u>
NET EARNINGS :	<u>4,549,328</u>	<u>4,089,773</u>	<u>5,040,194</u>	<u>4,771,483</u>	<u>4,595,701</u>
DIVIDENDS :					
On 5% Cumulative preferred stock	609,800	609,800	609,800	609,800	609,800
On 5 1/2% Cumulative preferred stock	192,500	192,500	192,500	192,500	192,500
On Common Stock	2,659,968	2,659,968	2,493,720	2,327,472	2,161,224
	<u>3,462,268</u>	<u>3,462,268</u>	<u>3,296,020</u>	<u>3,129,772</u>	<u>2,963,524</u>
BALANCE AVAILABLE FOR CAPITAL INVESTMENT AND OTHER CORPORATE PURPOSES :	<u>\$ 1,087,060</u>	<u>\$ 627,505</u>	<u>\$ 1,744,174</u>	<u>\$ 1,641,711</u>	<u>\$ 1,632,177</u>
EARNINGS PER COMMON SHARE :	<u>\$2.25</u>	<u>\$1.98</u>	<u>\$2.55</u>	<u>\$2.39</u>	<u>\$2.28</u>
DIVIDENDS PER COMMON SHARE :	<u>\$1.60</u>	<u>\$1.55</u>	<u>\$1.50</u>	<u>\$1.40</u>	<u>\$1.25</u>

G A T I N E A U P O W E R C O M P A N Y

RATES CHARGED AND USE OF ELECTRICAL SERVICE



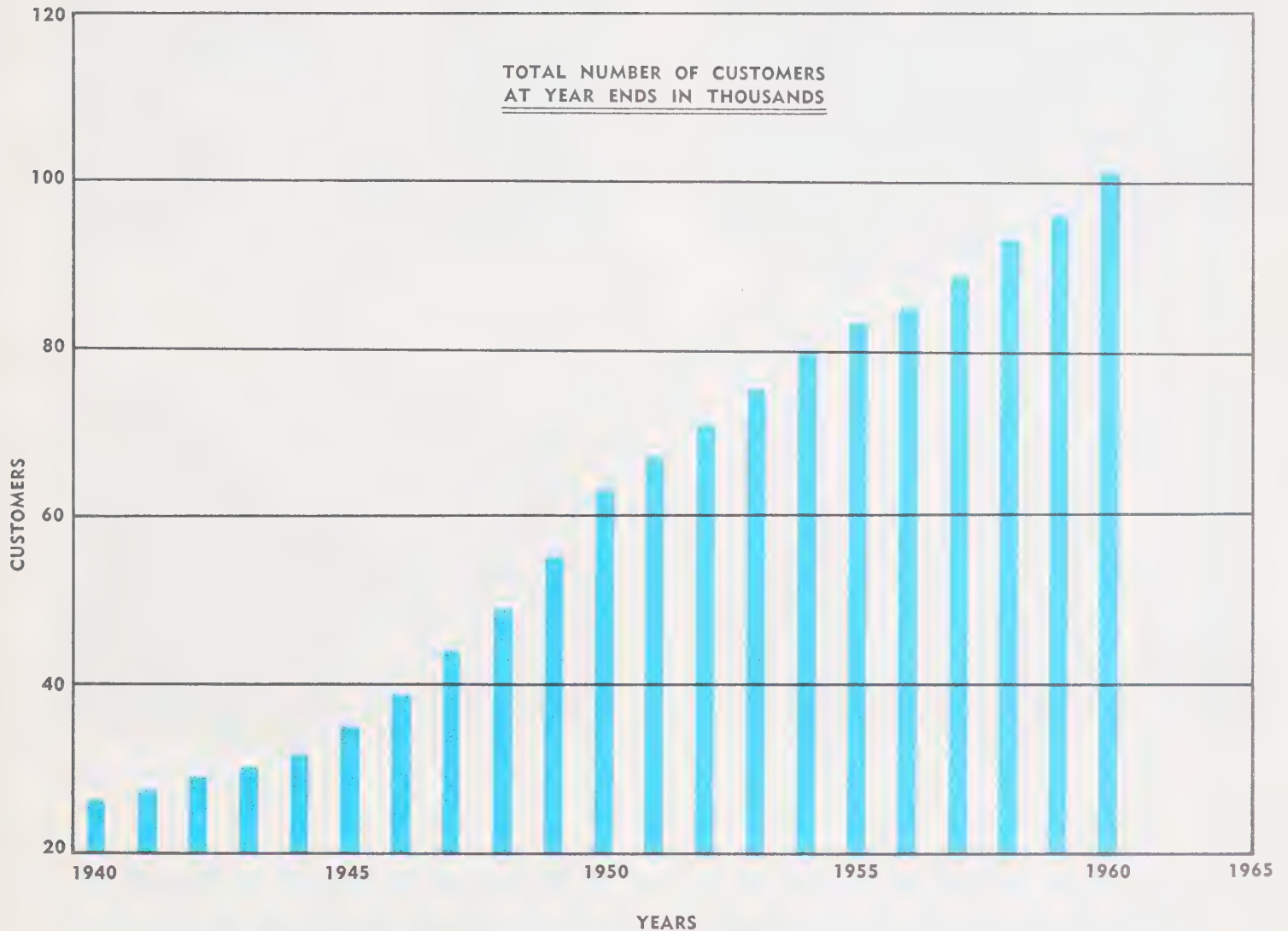
The accompanying chart shows in red, the sustained increases which have taken place in the average annual consumption by domestic customers and in blue the decreases in the charges for electric service.

In 1940 the average consumption by the domestic consumer was 738 kilowatt hours while in 1960 the average consumption reached the total of 4,814 kilowatt hours, — substantially higher than the national figure.

A very large proportion of this increase in consumption of electricity enjoys the lowest step-down rate in the authorized schedules with the result that the average revenue from the annual domestic consumer has gradually decreased from 3.53 cents per kilowatt hour in 1940 to 1.25 cents per kilowatt hour in 1960.

The rates charged by the Company continue to be lower than those charged by other Quebec Companies and in most instances are lower than in any other similar situation on this Continent.

CUSTOMERS



There has been an impressive increase in the number of retail industrial, general service and domestic customers served by the Company in the Province of Quebec.

It will be noted from the accompanying Chart that the number of these customers has increased from 26,352 in 1940 to 103,814 at June 30, 1961.

During the past five years the increase in the number of customers has been : —

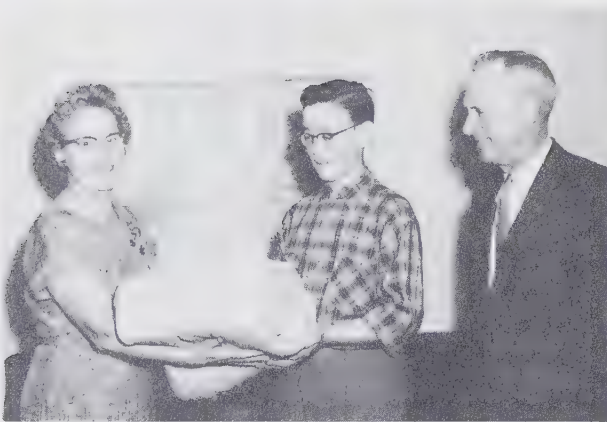
	Increase	Total
1956	1,625	85,520
1957	3,691	89,211
1958	4,596	93,807
1959	2,980	96,787
1960	5,035	101,822

The industrial development of the area served by the Company is indicated by the growth in the number of customers served at the industrial power rate from 245 in 1940 to over 800 in 1960, an increase of over 220% in the past 20 years.

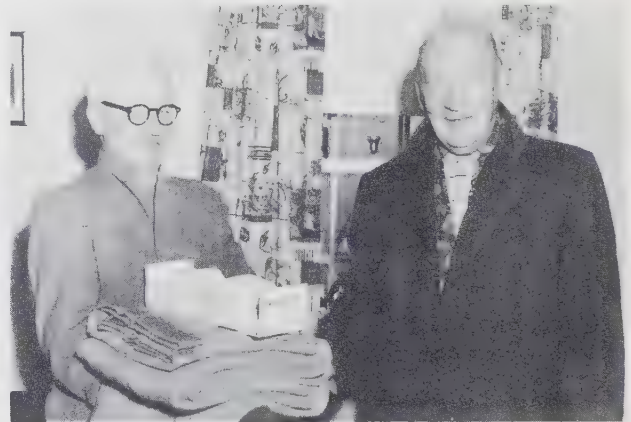
GUESSING CONTEST

Prizes were presented to the ten customers, one in each Division of the Company's Distribution System, who made the closest guess of the date and time when the 101,000th customer was con-

nected. This popular Guessing Contest was participated in by hundreds of the Company's customers and the following photos record the presentation of the prizes to the lucky Winners.



Mrs. Elsie Gibbons (left), Mayor of Portage du Fort, presenting the prize to Robert Essiambre (centre) in the presence of Mr. L. H. Moore (right), Manager of Shawville Division.



Mr. Lionel Bonhomme (right), Manager of Maniwaki Division, presenting the prize to Mr. E. H. Kealey (left) of Venosta.



Mr. Alan Brown (left), Commercial Vice President, presenting the prize to Mr. Louis Desmarais (right) in the presence of Mr. Fortuna Lalonde (centre), former Manager of Hull Division.



Mr. Raymond Carignan (right), Manager of Papineauville Division, presenting the prize to Mr. Alphonse Dupont (centre) of Montebello, in the presence of Mr. J. N. D'Aoust (left), Mayor of Montebello.



Mr. J. McGibbon (centre), Mayor of Lachute, presenting the prize to Mr. M. Niederkorn (left) of Lachute, in the presence of Mr. J. R. Carreau (right), Manager of Lachute Division.



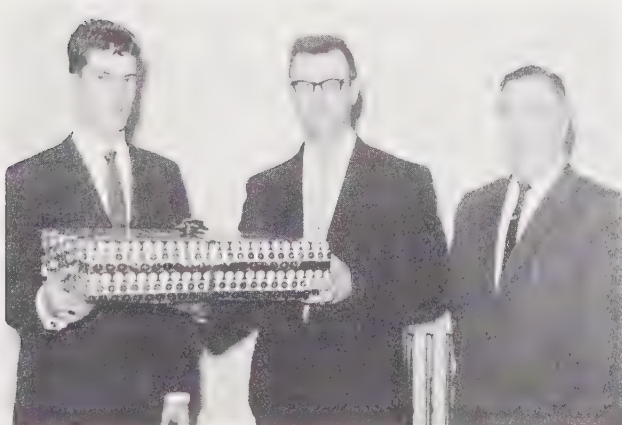
Mr. Donat Boivin (right), Mayor of St. Jovite, presenting the prize to André Gagné (left), of St. Jovite, in the presence of Mr. Georges Richer (centre), Manager of St. Jovite Division.



Mr. Valentino D'Ambrosio (right), Mayor of Pincoirt, presenting the prize to Mr. M. Lafrenière (centre) in the presence of Mr. Jean Lafleur (left), Manager of Vaudreuil Division.



Mr. Anthime Valiquette (left), Mayor of the Village of Ste. Adèle, presenting the prize to Mr. Jules Beauvais (right) in the presence of Mr. Paul Bélanger (centre), Manager of Ste. Adèle Division.



Mr. Hubert Murray (centre), Mayor of the City of St. Jerome, presenting the prize to Mr. André Ethier (left), of St. Jerome, in the presence of Mr. D. A. Bussière (right), Manager of St. Jerome Division.



Mr. George Robinson (left), Mayor of Rawdon, presenting the prize to Mr. Robert Pontbriand (centre) in the presence of Mr. Guillaume Labelle (right), Manager of Rawdon Division.



EMPLOYEES

The staff of the Company employed in the fifteen power stations, the ten division offices, the field maintenance groups and head office totals over 700 exclusive of temporary employees.



Gathering of company employees at annual banquet following the close of the 1961 bowling season.

The Company and its employees have enjoyed cordial and harmonious relations throughout the years. One hundred and thirty-eight active and retired employees have been presented with a "25-Year" gold button, engraved with the emblem of the Company, as a token of esteem and in recognition of service with the Company for twenty-five years or more.

The experienced staff, engaged at times in hazardous employment, continue to establish an enviable lost time accident experience record.

A Contributory Pension Plan was inaugurated on May 1, 1942, for all officers and regular employees of the Company and its subsidiaries. The Company made payment in respect of past

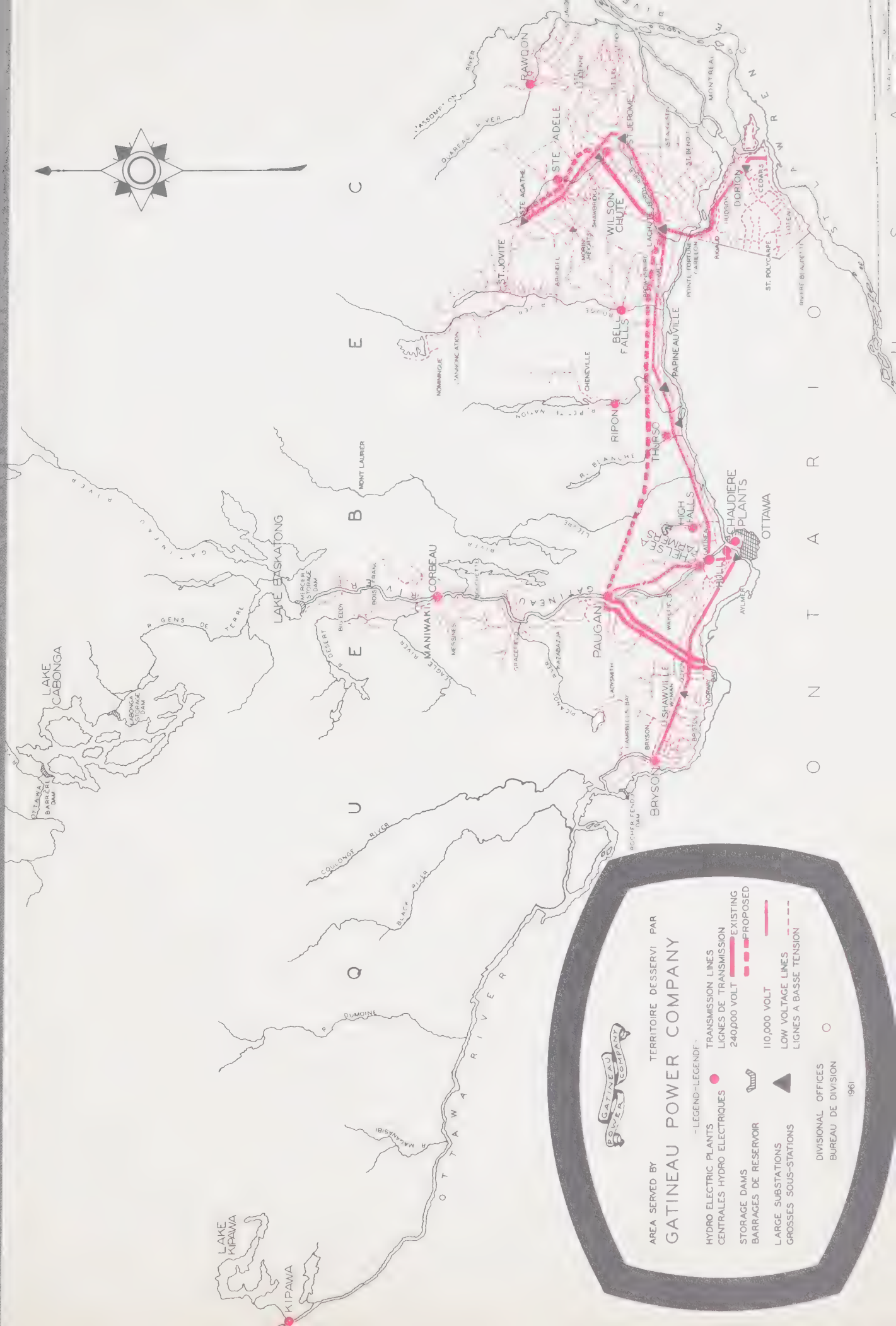
service of those who became participants under the plan, and pays annual future service contributions jointly with the employees.


The Company's Contributory Group Insurance Plan has been in effect since the formation of the Company and provides life insurance protection, weekly benefits in case of sickness or non-occupational accidents together with medical coverage.

Sports competitions and social activities of the Company employees are organized by the Employees' Mutual Benefit Association. The accompanying photograph shows a gathering of the employees taken at the close of the bowling season when the Ste. Adèle Division team became Champions of the League.

AREA SERVED BY

Gatineau Power Company and Subsidiaries





TERRITOIRE DESSERVI PAR
GATINEAU POWER COMPANY

AREA SERVED BY

LEGEND - LEGENDE

HYDRO ELECTRIC PLANTS CENTRALES HYDRO ELECTRIQUES	●	TRANSMISSION LINES LIGNES DE TRANSMISSION	—
STORAGE DAMS BARRAGES DE RESERVOIR	▲	240,000 VOLT	—
LARGE SUBSTATIONS GROSSES SOUS-STATIONS	▲	110,000 VOLT	- - -
		LOW VOLTAGE LINES LIGNES A BASSE TENSION	- - -

DIVISIONAL OFFICES
BUREAU DE DIVISION

1961



ANNUAL REPORT
of
GATINEAU POWER
COMPANY



1961

Nov 2/62

ANNUAL REPORT

of

GATINEAU

POWER

COMPANY

 December 31,
1961 

GATINEAU POWER COMPANY

*

Officers

G. GORDON GALE	Chairman of the Board and President
IRWIN L. MOORE	Vice-President
C. N. SIMPSON	Vice-President and General Manager
A. CODE BRITTAIN	Vice-President and Treasurer
ALAN BROWN	Commercial Vice-President
ANDRÉ E. GADBOIS	Vice-President and Secretary

Directors

A. CODE BRITTAIN	LT.-COL. W. FRASER HADLEY, E.D., C.D.
ARTHUR N. CARTER, M.C., Q.C.	WM. K. JACOBS, JR.
JACQUES DE BILLY, Q.C.	DUNCAN K. MAC TAVISH, O.B.E., Q.C.
VICTOR M. DRURY	IRWIN L. MOORE
G. GORDON GALE	JOHN G. PORTEOUS, Q.C.
A. G. S. GRIFFIN	LUCIEN G. ROLLAND
C. N. SIMPSON	

General Counsel

HOWARD, CATE, OGILVY, BISHOP, COPE, PORTEOUS & HANSARD

✧

The accompanying report and financial statements are submitted for the general information of the shareholders of Gatineau Power Company, and are not intended for use in connection with any sale or purchase of, or any offer or solicitation of offers, to buy or sell, any securities.

ANNUAL REPORT
of the Directors of
GATINEAU POWER COMPANY

~
December 31, 1961
~

TO THE SHAREHOLDERS:

YOUR DIRECTORS beg to submit herewith the Annual Report and Financial Statements for the year ended December 31, 1961, which cover the thirty-fifth year of operations of your Company.

EARNINGS

CONSOLIDATED operating revenue and other income amounted to \$20,467,917 as compared to \$19,961,971 for 1960, the balance added to surplus was \$4,342,259 as compared to \$4,549,328 for 1960.

The improvement in operating revenue resulted from larger sales of primary power to retail industrial, general service and domestic customers. During the first six months below average water conditions resulted in a substantial reduction in the sale of excess power. Higher operating costs and taxes, with the additional maintenance required to repair damages caused by the sleet storm which swept through Vaudreuil, Lachute, St. Jerome and Rawdon Divisions in February, contributed to increased expenses.

FINANCIAL POSITION

DURING the year the Company purchased \$209,000 principal amount of First Mortgage Bonds and \$100,000 Serial Notes, all of which have been surrendered to the Trustee. In addition, the Company paid off the balance of \$148,000 to retire the 2¾% Sinking Fund Debentures due June 15, 1961. At the year-end the Company held \$2,213,000 principal amount of its securities in anticipation of future sinking fund retirements which, in 1962, will amount to \$1,535,056.

Agreement was reached with The New Brunswick Electric Power Commission by which the Company received a total of \$12,500,000 in settlement of its Claim for Compensation for its New Brunswick system acquired by the Commission. Of this amount, \$9,750,930 was paid in 1960 and the balance of \$2,749,070 in November 1961. In addition, the Commission paid the Company \$839,384 by way of interest.

DIVIDENDS

REGULAR quarterly dividends were paid on the 5% and 5½% Preferred Shares.

In addition to the quarterly dividends paid on the Common Shares totalling \$1.60 a share for the year, two extra dividends, each consisting of 30¢ in cash and one Common Share (valued at \$1.20) of Entreprises Gelco Ltée.—Gelco Enterprises Ltd. were paid on December 29, 1961 and on January 1, 1962, to the shareholders of record on December 1, 1961.

The extra dividends were paid out of the compensation received for the Company's New Brunswick system.

OPERATIONS

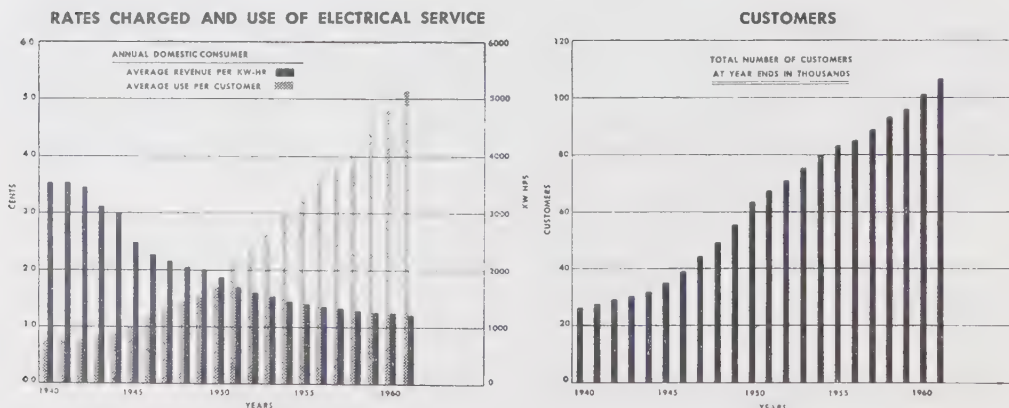
THE total generated and purchased energy for the year was 3,619,258,905 kilowatt hours compared with 3,842,864,425 kilowatt hours in 1960.

814,000,000 kilowatt hours were needed to meet the 1961 demands of our domestic, general service and retail industrial customers, all of whom are in the Province of Quebec, a rise of 10% over 1960.

The accompanying charts show the sustained growth, sixfold over the last 20 years, in the average annual consumption by domestic customers, the drop in average cost to such customers for electric service and the impressive increase in the number of industrial, general service and domestic customers served by the Company in the Province of Quebec.

While the average use per domestic customer increased to 5,137 kilowatt hours, the average revenue per kilowatt hour from annual domestic customers in 1961 declined from 1.25¢ per kilowatt hour to 1.22¢ per kilowatt hour, a drop of 2.4%. This decrease in the average revenue per kilowatt hour is due to more kilowatt hours being sold at the lowest step in the rate which becomes effective after the first 200 kilowatt hours use during the month.

The rates allowed the Company by the regulatory authority are, in most cases, lower than those applicable in any similar situation on this Continent. While the Company has reduced its charges for electric service from time to time there has never been a general increase in these rates since the incorporation of the Company over thirty-five years ago.



With service extended to over 4,900 new customers in 1961, the 107,000 now served is four times the number in 1941.

CAPITAL ADDITIONS AND MAJOR IMPROVEMENTS

EXPENDITURES on capital additions and major improvements exceeded \$3,500,000 in 1961. 73 miles of pole lines and 83 miles of circuits on existing poles were added to the distribution system.

The major portion of the right-of-way for a new 240,000 volt transmission line from Paugan to Lachute was purchased and cleared. This new line is designed to connect with the line built recently from Lachute to Paquin, north of St. Jerome.

The rebuilding of existing 26,400 volt lines for future operation at 69,000 volts was continued between St. Jovite and L'Annonciation, New Glasgow and Rawdon, and was completed between Paugan and Maniwaki. Hot line tools were used wherever possible to reduce interruption to service to a minimum.

A new 80,000 kva substation was placed in service at Paquin, stepping down from 110,000 volts to 69,000 volts. The line from Paquin to Ste. Adele, rebuilt for 69,000 volts, was placed in operation at the higher voltage and supplied from the new Paquin substation. The distribution substations at Shawbridge, Piedmont and Ste. Adele, fed from this line were changed to 69,000 volts.

A distribution substation suitable for operation at 69,000 volts was built at Maniwaki and the substation at Gracefield was rebuilt for the same voltage. A rural substation was installed at Baie de Rigaud. Additions were made to the capacity of existing substations at Campbell's Bay, Bryson, Gatineau, Papineauville, St. Canut, Ste. Marthe, Ste. Marie, Shawbridge, Piedmont, Ste. Adele and St. Jovite. The capacity of the step-up substation at Paugan, which supplies the line to Maniwaki, was increased.

A mobile trailer-mounted distribution substation was ordered with a variety of voltage ratios and will be available for moving promptly to any part of the system to restore service as quickly as possible in the event of the failure of any substation transformer.

The voltage on the distribution systems at Maniwaki, Gracefield, Blue Sea Lake, St. Adolphe d'Howard, Mont Tremblant and part of St. Jovite was raised to 13,800 volts. The distribution voltage at Calumet was increased from 2.3 kv to 4.0 kv.

As the result of a study of the economics and other features of using higher voltages for distribution, 15,200/26,400 volts was adopted as an additional standard where the substation supply voltage is 26,400 volts.

Ten new 110,000 volt air blast circuit breakers were ordered to replace obsolete and low capacity circuit breakers at Chelsea and Farmers power-houses. Automatic lubricating equipment was installed on the waterwheel units at Chelsea.

A new six truck garage and storeroom was built at Ste. Adele. An extension was added to the garage at Maniwaki. The St. Jerome office was modernized and enlarged.

A two storey extension was added to the Head Office building in Hull to provide needed space for staff and equipment.

A building in Hull was purchased, to which suitable interior alterations are being made in preparation for its use by the Mechanical, Electrical and Transmission line crews.

ENTREPRISES GELCO LTÉE.
GELCO ENTERPRISES LTD.

WITH the distribution to the Company's Common Shareholders of all the issued and outstanding Common Shares of Entreprises Gelco Ltée.—Gelco Enterprises Ltd., the latter is now functioning as an investment company, unrestricted as to the nature or amount of any one holding, but with a particular interest in investment opportunities in the area served by the Company.

NAME

AMENDMENTS to the Quebec Companies Act which, in the case of a bilingual corporate name, allow the use of either the English version or French version, coupled with the present area of operations of the Company, have prompted your Directors to enact Special By-Law "S" adding as the French version of the Company's name "Compagnie d'Electricité Gatineau".

OUTLOOK

THE charts on Page 4 indicate the sustained growth in the number of customers and the increase in the use of electricity.

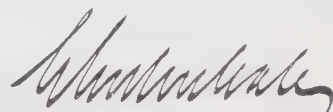
To meet this growth and demand which show no signs of abatement, capital expenditures for 1962 of the order of \$2,750,000 are planned. Similar expenditures in future years are envisaged. Funds for these expenditures will be provided in part by the accumulated cash resources of the Company, but permanent financing of the balance will be necessary in due course.

DIRECTORS AND STAFF

MR. R. A. Bourne-Paterson, General Manager of Imperial Continental Gas Association, was elected a Director to fill the vacancy resulting from the resignation of Mr. Arthur N. Carter, Q.C., of Saint John, N.B., whose retirement in February is recorded with sincere regret and with keen appreciation of the services he has rendered.

Your Directors wish to record their appreciation of the loyal and efficient services of our staff and employees throughout the past year.

For the Board of Directors,



President

March 15, 1962.

AUDITORS' REPORT TO THE SHAREHOLDERS

GATINEAU POWER COMPANY,
HULL, QUE.

We have examined the consolidated balance sheet of Gatineau Power Company and subsidiary companies as at December 31, 1961 and the related statement of consolidated profit and loss and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statement of consolidated profit and loss and surplus, together with explanatory notations forming a part thereof, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company and subsidiary companies as at December 31, 1961 and the results of their operations for the year ended on that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants

MONTREAL, QUE., February 22, 1962.

GATINEAU POWER

AND SUBSIDIARIES

Consolidated Balance Sheet

ASSETS

CAPITAL ASSETS:

Plants and properties; development costs; water power and storage rights and intangibles (note 1)		\$146,167,970
---------------------------------------------------------------------------------------------------	--	---------------

INVESTMENTS:

4% Unsecured note—Gelco Enterprises Ltd. (note 2)	\$7,450,000	
Other securities	<u>188,008</u>	7,638,008

CURRENT ASSETS:

Cash (\$12,367 U.S. Currency)	1,370,184	
Accounts receivable (less reserve of \$46,266)	1,574,814	
Inventories of materials and supplies (valued at cost or less)	<u>961,609</u>	3,906,607

DEFERRED ASSETS AND EXPENSES:

Accounts receivable not currently due	110,156	
Prepaid insurance and taxes	236,870	
Deferred assets and charges applicable to future operations	321,576	
Unamortized debt discount and expense	<u>1,004,802</u>	1,673,404

\$159,385,989

See accompanying notes which are an integral part of the above statement.

COMPANY

COMPANIES

- December 31, 1961

LIABILITIES

FUNDED DEBT (note 3):

First Mortgage Bonds 3% Series "C" due 1970 (U.S. Currency)	\$41,977,000	
First Mortgage Bonds 3 $\frac{1}{4}$ % Series "D" due 1970.	5,110,000	
First Mortgage Bonds 3 $\frac{3}{4}$ % Series "E" due 1973	2,784,000	
Property Purchase Obligation 5% due 1962	8,056	
Serial Notes 4 $\frac{1}{4}$ % due 1962-1963	<u>200,000</u>	\$50,079,056

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	1,540,454	
Accrued taxes	1,904,990	
Accrued interest (\$52,471 U.S. Currency)	83,735	
Dividends payable January 1, 1962	\$3,359,462	
Deduct Common Shares of Gelco		
Enterprises Ltd. distributed as dividend		
Jan. 1, 1962	<u>1,994,976</u>	<u>1,364,486</u>
		4,893,665

DEFERRED CREDITS:

Income tax (note 5):		
Cumulative reduction in income tax applicable to future years	2,315,500	
Other deferred credits:		
Advances received on account of construction to be applied		
in reduction of power bills in future years and other		
deferred credits	<u>466,222</u>	<u>2,781,722</u>

RESERVES:

Depreciation (note 4) (including \$11,094,225 arising from		
charges to paid-in surplus)	51,543,083	
Less: Retirements.	<u>3,017,904</u>	
	48,525,179	
Other reserves	<u>27,598</u>	<u>48,552,777</u>

CAPITAL STOCK AND SURPLUS:

	Shares Authorized	Shares Issued	
5% Cumulative Preferred Stock \$100 par	121,960	121,960*	12,196,000
5 $\frac{1}{2}$ % Cumulative Preferred Stock \$100 par	50,000	35,000*	3,500,000
Common stock without nominal or par value	3,000,000	1,662,480	25,426,897
Earned Surplus (statement attached)			<u>11,955,872</u>
			<u>53,078,769</u>
			<u>\$159,385,989</u>

*Ranking on any liquidation or redemption for \$110 per share.

Signed on behalf of the Board—G. GORDON GALE, *Director*, W. FRASER HADLEY, *Director*.

GATINEAU POWER COMPANY

AND SUBSIDIARY COMPANIES

Statement of Consolidated Profit and Loss and Surplus

	For the years ended December 31	
	<u>1961</u>	<u>1960</u>
OPERATING REVENUE AND OTHER INCOME:		
Operating revenue	\$19,663,547	\$19,212,493
Other income	804,370	749,478
	<u>20,467,917</u>	<u>19,961,971</u>
EXPENSES:		
Power purchased	2,452,856	1,939,398
Operating	1,984,636	1,886,766
Maintenance	1,391,531	1,414,473
Taxes—other than taxes based on income	1,233,176	1,290,327
General and administrative	889,073	841,217
	<u>7,951,272</u>	<u>7,372,181</u>
NET INCOME BEFORE INTEREST AND OTHER CHARGES	<u>12,516,645</u>	<u>12,589,790</u>
DEDUCTIONS:		
Interest—bonds and prior liens	1,531,231	1,578,044
Interest—debentures and other	29,035	39,847
Exchange (profit)	13,197	(50,852)
Provision for depreciation (note 4)	2,000,000	2,000,000
Amortization of discount and expense	143,823	143,823
Provision for taxes based on income	4,457,100	4,329,600
	<u>8,174,386</u>	<u>8,040,462</u>
BALANCE ADDED TO SURPLUS	<u>4,342,259</u>	<u>4,549,328</u>
EARNED SURPLUS—JANUARY 1	12,368,943	11,111,717
SURPLUS ADJUSTMENTS—credit—note 8	3,694,378	170,166
	<u>20,405,580</u>	<u>15,831,211</u>
DIVIDENDS:		
On 5% cumulative preferred stock	609,800	609,800
On 5½% cumulative preferred stock	192,500	192,500
On common stock:		
Cash	3,657,456	2,659,968
3,324,960 Shares of Gelco Enterprises Ltd. at \$1.20 per share	3,989,952	
	<u>8,449,708</u>	<u>3,462,268</u>
EARNED SURPLUS—DECEMBER 31	<u>\$11,955,872</u>	<u>\$12,368,943</u>

See accompanying notes which are an integral part of the above statement.

AND SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements

1. PLANTS AND PROPERTIES; DEVELOPMENT COSTS; WATER POWER AND STORAGE RIGHTS AND INTANGIBLES:

The properties (including expenditures on storage works now owned by the Province of Quebec and operated by the Department of Natural Resources under contracts with Gatineau Power Company) are stated at cost of construction or acquisition, in part from affiliates, on the basis of cash paid or par or stated value of capital stocks issued therefor.

During 1961 the Company's Claim for Compensation from The New Brunswick Electric Power Commission for its New Brunswick system expropriated on May 1, 1959, was settled, the Company receiving a total of \$12,500,000 and interest of \$839,384. Gain of \$3,430,297 arising from the settlement has been reflected in the earned surplus account.

2. INVESTMENTS:

4% UNSECURED NOTE — GELCO ENTERPRISES LTD.

This Note is due December 1, 1991 and is entitled to annual sinking fund, commencing in 1967, equal to 10% of the net profits of Gelco Enterprises Ltd. for the preceding year.

3. FUNDED DEBT:

Long term debt redemption and sinking fund requirements for 1962 amount to \$1,535,056. As at December 31, 1961, the Company has purchased and surrendered for cancellation \$2,213,000 par value of bonds and debentures in anticipation of its sinking fund requirements for future years.

4. DEPRECIATION RESERVE AND DEPRECIATION:

The provision for depreciation of \$2,000,000 as charged against current year's revenue has been determined by management.

5. DEFERRED CREDITS — CUMULATIVE REDUCTION IN INCOME TAX:

This item represents reduction in income taxes payable for the years 1954 to 1961 inclusive by reason of depreciation claimed for income tax purposes in excess of that charged to operations. The additional depreciation claimed for income tax purposes during years 1954 to 1960 was charged to earned surplus in order that it could be claimed for Provincial income tax purposes. Due to a change in the Quebec Corporation Tax Act no such charge was necessary in 1961. This deferred credit is available for appropriation in future years should depreciation allowable for tax purposes be less than the amount actually charged against operations.

6. CONTINGENT LIABILITIES:

No provision has been made in the accompanying financial statements for possible liability under pending law suits, claims for damages, etc. The management of Gatineau Power Company reports such claims as aggregating approximately \$230,070.

7. FOREIGN EXCHANGE:

In the accompanying statements all figures have been stated at parity of exchange.

8. SURPLUS ADJUSTMENTS:

This amount consists of:

Gain on properties expropriated by The New Brunswick Electric Power Commission on May 1, 1959	\$3,430,297
Gain on securities sold to Gelco Enterprises Ltd.	274,966
Interest applicable to prior years received in 1961 from The New Brunswick Electric Power Commission in connection with compensation for properties expropriated less income taxes thereon	115,894
Gain on Company's bonds and debentures surrendered for cancellation.	23,056
	<u>3,844,213</u>
Deduct:	
Supplementary pension payments in connection with past service less income tax reduction applicable thereto	141,685
Adjustment to prior year's power revenue less income tax reduction applicable thereto	8,150
	<u>149,835</u>
Net surplus adjustment	<u>\$3,694,378</u>

GATINEAU POWER COMPANY

AND SUBSIDIARY COMPANIES

HIGHLIGHTS

	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1958</u>	<u>1957</u>
<u>EARNINGS</u>					
Gross Revenue . . .	\$20,467,917	\$19,961,971	\$18,443,718	\$19,196,216	\$17,944,922
Net Earnings . . .	4,342,259	4,549,328	4,089,773	5,040,194	4,771,483
Preferred Dividends .	802,300	802,300	802,300	802,300	802,300
Common Dividends .	7,647,408*	2,659,968	2,659,968	2,493,720	2,327,472
Balance available for Corporate purposes .	\$(4,107,449)	\$ 1,087,060	\$ 627,505	\$ 1,744,174	\$ 1,641,711
Earnings per Common Share	\$2.13	\$2.25	\$1.98	\$2.55	\$2.39
Dividends declared per Common Share .	\$4.60*	\$1.60	\$1.60	\$1.50	\$1.40

*In 1961 two extra dividends, each consisting of 30¢ in cash and one Common Share (valued at \$1.20) of Entreprises Gelco Ltée.—Gelco Enterprises Ltd., were declared payable on December 29, 1961 and January 1, 1962 respectively, such dividends being paid out of the Compensation received for the Company's New Brunswick system.

ENERGY, GENERATED AND PURCHASED (KwHr)

Generated:

—Quebec	2,917,179,850	3,310,319,160	2,854,445,630	3,326,295,430	3,241,376,690
—New Brunswick	—	—	90,849,000	401,354,000	327,161,000
	2,917,179,850	3,310,319,160	2,945,294,630	3,727,649,430	3,568,537,690
Purchased	<u>702,079,055</u>	<u>532,545,265</u>	<u>584,930,000</u>	<u>329,509,000</u>	<u>258,738,000</u>
Total	<u>3,619,258,905</u>	<u>3,842,864,425</u>	<u>3,530,224,630</u>	<u>4,057,158,430</u>	<u>3,827,275,690</u>

GATINEAU POWER COMPANY

ET SES FILIALES

POINTS SAILLANTS

	1961	1960	1959	1958	1957
REVENUS					
Revenu brut	\$20,467,917	\$19,961,971	\$18,443,718	\$19,196,216	\$17,944,922
Revenu net	4,342,259	4,549,328	4,089,773	5,040,194	4,771,483
Dividendes sur les actions privilégiées	802,300	802,300	802,300	802,300	802,300
Dividendes sur les actions ordinaires	7,647,408*	2,659,968	2,659,968	2,493,720	2,327,472
Solde disponible pour fins corporatives	\$(4,107,449)	\$ 1,087,060	\$ 627,505	\$ 1,744,174	\$ 1,641,711
Revenu par action ordinaire	\$2.13	\$2.25	\$1.98	\$2.55	\$2.39
Dividendes par action ordinaire	\$4.60*	\$1.60	\$1.60	\$1.50	\$1.40
*Deux dividendes additionnels ont été déclarés en 1961, chacun consistant en 30¢ en espèces et une action ordinaire (évaluée à \$1.20) de Entreprises Gelco Ltée.—Gelco Enterprises Ltd., payables le 29 décembre 1961 et le 1er janvier 1962 respectivement, ces dividendes étant payés à même l'indemnité reçue pour le système du Nouveau-Brunswick de la Compagnie.					
ÉNERGIE, GÉNÉRÉE ET ACHETÉE (KwHrc)					
Générée:					
—Québec	2,917,179,850	3,310,319,160	2,854,445,630	3,326,295,430	3,241,376,690
—Nouveau-Brunswick	—	—	90,849,000	401,354,000	327,161,000
Achetée	702,079,055	532,545,265	584,930,000	329,509,000	258,738,000
Total	3,619,258,905	3,842,864,425	3,530,224,630	4,057,158,430	3,827,275,690

GATINEAU POWER COMPANY

ET SES FILIALES

Notes aux Etats Financiers Consolidés

1. USINES ET PROPRIÉTÉS; AMÉNAGEMENTS; DROITS SUR FORCES HYDRAULIQUES ET DE

CONSTRUCTION DE BARRAGES-RÉSERVOIRS ET ACTIFS INTANGIBLES:

Les propriétés (y compris le coût de l'établissement des barrages-réservoirs qui sont présentement la propriété de la province de Québec et exploitées par le Ministère des Richesses Naturelles en vertu de contrats faits avec Gatinéau Power Company) sont indiquées au coût d'établissement ou d'achat, en partie des compagnies affiliées, basé sur le prix payé en espèces ou la valeur au pair ou déclarée du capital-actions émis en considération. Durant 1961 la réclamation de la Compagnie contre la New Brunswick Electric Power Commission pour l'indemnité pour son système du Nouveau Brunswick, exproprié le 1er mai 1959, fut réglée, la Compagnie recevant une somme totale de \$12,500,000 et des intérêts de \$839,384. Le gain de \$3,430,297 provenant de ce règlement a été imputé au compte de l'excédent réalisé.

2. PLACEMENTS:

BILLET NON-GARANTI À 4% — ENTREPRISES GELCO LTÉE.

Ce billet échoit le 1er décembre 1991 et a droit à des paiements annuels de fonds d'amortissement commençant en 1967 équivalant 10% du profit net de Entreprises Gelco Ltée. pour l'année précédente.

3. FONDs CONSOLIDÉS:

Le rachat de la dette à longue échéance et les exigences des fonds d'amortissement pour 1962 se chiffrent à \$1,535,056. Au 31 décembre 1961 la Compagnie avait racheté et cédé pour annulation \$2,213,000 valeur au pair d'obligations et de débentures en prévision des exigences des fonds d'amortissement pour les années futures.

4. RÉSERVE POUR DÉPRÉCIATION ET DÉPRÉCIATION:

La provision pour dépréciation, soit \$2,000,000, telle qu'imputée au revenu pour l'exercice en cours fut déterminée par l'administration.

5. CRÉDITS DIFFÉRÉS — RÉDUCTION CUMULATIVE DE L'IMPÔT SUR LE REVENU:

Cet item représente une réduction d'impôts à payer pour les années 1954 à 1961 inclusivement par suite de dépréciation réclamée pour fins d'impôt sur le revenu au-delà de celle qui a été imputée aux opérations. La dépréciation additionnelle réclamée pour fins d'impôt sur le revenu durant les années 1954 à 1960 a été affectée à l'excédent réalisé afin de pouvoir la réclamer de l'impôt sur le revenu provincial. Par suite d'un amendement à la loi de l'impôt sur les corporations du Québec une imputation semblable n'a pas été nécessaire en 1961. Ce crédit différé est disponible pour fins d'appropriation au cours des années futures, si la dépréciation permise pour fins d'impôt est moindre que le montant réellement imputé aux opérations.

6. PASSIF EVENTUEL:

Il n'a pas été fait de provision dans les états ci-joints pour un passif éventuel résultant de poursuites, réclamations en litige pour dommages-intérêts, etc. L'administration de Gatinéau Power Company rapporte qu'il s'agit de ce chef d'une somme d'environ \$230,070.

7. CHANGÉ ÉTRANGER:

Dans les états ci-joints, tous les chiffres sont exprimés au pair.

8. AJUSTEMENTS DE L'EXCÉDENT:

Ce chiffre comprend:

Gain sur les propriétés expropriées par la New Brunswick Electric Power Commission le 1er mai 1959 \$3,430,297
Gain sur les valeurs vendues à Entreprises Gelco Ltée. 274,966
L'intérêt, applicable aux années précédentes, reçu en 1961 de la New Brunswick Electric Power Commission au sujet de l'indemnité reçue pour les propriétés expropriées, moins les impôts sur le revenu qui s'y appliquent. 115,894
Gain sur des obligations et des débentures de la Compagnie livrées pour annulation. 23,056
A déduire: 3,844,213

Faitements additionnels pour services dans le passé, moins réduction de l'impôt sur le revenu qui s'y applique. 141,685
Ajustement du revenu de la vente d'énergie de l'année précédente, moins réduction de l'impôt sur le revenu qui s'y applique. 8,150
149,835

Ajustement de l'excédent net \$3,694,378

GATINEAU POWER COMPANY

ET SES FILIALES

Etat Consolidé des Profits et Pertes et d'Excédent

Pour les années terminées
le 31 décembre

	1960	1961
REVENU D'EXPLOITATION ET AUTRES REVENUS:		
Revenu d'exploitation	\$19,212,493	\$19,663,547
Autres revenus	749,478	804,370
Frais:		
Achat d'énergie	1,939,398	2,452,856
Exploitation	1,886,766	1,984,636
Entretien	1,414,473	1,391,531
Impôts—autres que ceux basés sur le revenu	1,290,327	1,233,176
Généraux et d'administration	841,217	889,073
REVENU NET, COMPTE NON TENU DES INTÉRÊTS ET AUTRES IMPUTATIONS	7,372,181	7,951,272
	12,589,790	12,516,645
A DÉDUIRE:		
Intérêts—obligations et nantissements antérieurs	1,578,044	1,531,231
Intérêts—débentures et autres	39,847	29,035
Change (profit)	(50,852)	13,197
Provision pour dépréciation—(note 4)	2,000,000	2,000,000
Amortissement de l'escompte et des frais	143,823	143,823
Provision pour impôts basés sur le revenu	4,329,600	4,457,100
SOLDE AJOUTÉ À L'EXCÉDENT	8,040,462	8,174,386
Excédent Réalisé Au 1er Janvier	11,111,717	12,368,943
Adjustments de l'Excédent—note 8	170,166	3,694,378
	15,831,211	20,405,580
DIVIDENDES:		
Actions privilégiées cumulatives 5%	609,800	609,800
Actions privilégiées cumulatives 5 1/2%	192,500	192,500
Actions ordinaires:		
Espèces	2,659,968	3,657,456
3,324,960 actions de Entreprises Gelco Ltée.		
à \$1.20 l'action		3,989,952
Excédent Réalisé Au 31 DÉCEMBRE	\$12,368,943	\$11,955,872

Voir les notes explicatives ci-jointes qui font partie intégrante du présent état.

PASSIF

Fonds Consolidés (note 3):

Obligations de 1ère hypothèque 3% série "C" échéance 1970		
(devise des Etats-Unis)		
Obligations de 1ère hypothèque 3¼% série "D" échéance 1970	\$41,977,000	
Obligations de 1ère hypothèque 3¾% série "E" échéance 1973	5,110,000	
Obligations 5% relative à l'achat de propriétés échéance 1962	2,784,000	
Billets par séries 4¼% échéance 1962-1963	8,056	
	200,000	\$50,079,056

Exigibilités:

Comptes à payer et passif couru	1,540,454	
Impôts courus	1,904,990	
Intérêt couru (y compris \$52,471 devise des Etats-Unis)	83,735	
Dividendes à payer le 1er janvier 1962	\$3,359,462	
A déduire actions ordinaires de Entreprises Gelco Ltée. distribuées en dividendes le 1er janvier 1962	1,994,976	1,364,486
		4,893,665

Crédits Différés:

Impôt sur le revenu (note 5):		
Réduction cumulative de l'impôt sur le revenu attribuable aux années futures	2,315,500	
Autres crédits différés:		
Avances reçues pour le compte de construction à être imputées en réduction de factures de pouvoir dans les années futures, et autres crédits différés	466,222	2,781,722

Réserves:

Dépréciation (note 4) (y compris \$11,094,225 provenant des affectations à l'excédent versé)	51,543,083	
A déduire: Retraits	3,017,904	
Autres réserves	48,552,777	48,552,777

CAPITAL-ACTIONS ET EXCÉDENT:

Actions	Actions	
Autorisées	Emises	
Actions privilégiées cumulatives 5% valeur au pair \$100	121,960	121,960*
Actions privilégiées cumulatives 5½% valeur au pair \$100	50,000	35,000*
Actions ordinaires sans valeur nominale ou au pair \$100	3,000,000	1,662,480
Excédent réalisé (état ci-joint)		25,426,897
		11,955,872
		53,078,769
		\$159,385,989

*D'une valeur de \$110 par action en cas de liquidation ou de rachat.

Signé au nom du Conseil d'administration: G. GORDON GALT, administrateur, W. FRASER HADLEY, administrateur.

GATINEAU POWER
ET
Bilan Consolidé au

ACTIF

IMMOBILISATIONS:

Usines et propriétés; aménagements; droits sur forces hydrauliques
et de construction de barrages-réservoirs, et actifs intangibles
(note 1) \$146,167,970

PLACEMENTS:

Billet non garanti à 4%—Entreprises Celco Ltée. (note 2) \$7,450,000
Autres placements 188,008

DISPONIBILITÉS:

Espèces (y compris \$12,367 en devise des États-Unis) 1,370,184
Comptes à recevoir (moins réserve de \$46,266)
Inventaires des matériaux et fournitures (évalués au prix coûtant
ou à moins) 961,609

ACTIF ET FRAIS DIFFÉRÉS:

Comptes à recevoir mais non exigibles en ce moment 110,156
Assurances et impôts payés d'avance 236,870
Actif et frais différés imputables à des opérations futures 321,576
Escompte et frais obligataires non amortis 1,004,802

1,673,404

\$159,385,989

Voir les notes explicatives ci-jointes qui font partie intégrante du présent état.

RAPPORT DES VÉRIFICATEURS AUX ACTIONNAIRES

GATINEAU POWER COMPANY,
HULL, QUÉ.

Nous avons examiné le bilan consolidé de Gatineau Power Company et ses filiales au 31 décembre 1961 et l'état y attaché des profits et pertes et d'excédent consolidés pour l'année terminée à cette date et nous avons obtenu tous les renseignements et explications demandés. Notre examen fut fait d'après les méthodes de vérification généralement admises et en conséquence a comporté tels sondages des livres et pièces et autres preuves documentaires et tels procédés qui nous ont paru nécessaires dans les circonstances.

A notre avis et conformément au meilleur de notre connaissance et aux explications qui nous ont été fournies et tel qu'il appert aux livres des compagnies, le bilan consolidé et l'état des profits et pertes et d'excédent consolidés, avec les notes explicatives qui en font partie, sont dressés correctement de façon à faire ressortir avec fidélité et exactitude l'état des affaires de la compagnie et ses filiales au 31 décembre 1961 ainsi que les résultats de leurs opérations pour l'année terminée à cette date, selon les principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'année précédente.

TOUCHE, ROSS, BAILEY & SMART

Comptables agréés

MONTRÉAL, QUÉ., le 22 février 1962.

à Hull qui seront occupés par les services mécanique et électrique et les équipes des lignes de transmission.

ENTREPRISES GELCO LTÉE. GELCO ENTERPRISES LTD.

Après avoir distribué aux détenteurs des actions ordinaires de la Compagnie toutes les actions ordinaires émises du capital-actions de Entreprises Gelco Ltée.—Gelco Enterprises Ltd., cette dernière fonctionne maintenant comme compagnie de placements, sans restriction quant à la nature ou au montant de chaque placement, mais avec un intérêt tout particulier dans des occasions de placements survenant de la région des-

NOM

Vu les amendements à la Loi des compagnies de Québec permettant l'usage, dans le cas d'un nom de compagnie bilingue, soit de la version anglaise, soit de la version française, et vu la région présentement desservie par la Compagnie, vos Administrateurs ont été incités à décréter le règlement spécial "S" ajoutant "Compagnie d'Électricité Gatinneau" comme version française du nom de la Compagnie.

PERSPECTIVE

Les tableaux qui apparaissent à la page 4 démontrent l'accroissement soutenu dans le nombre des abonnés et les augmentations annuelles dans l'usage de l'électricité.

Afin de pourvoir à cet accroissement et à la demande qui ne donne aucun signe de diminution, des dépenses capitales de l'ordre de \$2,750,000 sont prévues pour 1962. On envisage des dépenses du même ordre pour les années à venir. Les fonds pour ces dépenses proviendront en partie des réserves en espèces de la Compagnie, mais éventuellement il deviendra aussi nécessaire d'emprunter.

ADMINISTRATEURS ET PERSONNEL

MONSIEUR R. A. Bourne-Paterson, Gérant Général de Imperial Continental Gas Association, fut élu administrateur pour remplir le poste vacant résultant de la résignation en février de M. Arthur N. Carter, c.r., de Saint John, N.B., dont le départ est signalé avec sincères regrets et une vive appréciation des services qu'il a rendus à la Compagnie.

Vos Administrateurs désirent remercier le personnel et les employés pour leurs bons et loyaux services durant l'exercice qui vient de s'écouler.

Pour le Conseil d'administration,

Le président,



le 15 mars 1962.

73 milles de nouvelles lignes sur poteaux et 83 milles de circuits sur des poteaux existants furent ajoutés au réseau de distribution.

La majeure partie du droit de passage pour une nouvelle ligne de transmission à 240,000 volts entre Paugan et Lachute fut achetée et déboisée. Cette nouvelle ligne est aménagée de façon à se relier à une ligne récemment construite entre Lachute et Paquin, au nord de St-Jérôme.

La reconstruction, pour opération future à 69,000 volts, des lignes existantes à 26,400 volts entre St-Jovite et L'Annonciation, New-Glasgow et Rawdon se continue, alors que pour la ligne située entre Paugan et Maniwaki ce travail fut complété. À cette fin on se servit d'outils spéciaux, là où il était possible de le faire, afin de réduire au minimum les interruptions de courant.

Une sous-station de 80,000 kva fut mise en service à Paquin, pour réduire la tension de 110,000 volts à 69,000 volts. La ligne de Paquin à Ste-Adèle, qui avait été reconstruite pour service à 69,000 volts, fut mise en opération à la tension plus élevée provenant de la nouvelle sous-station de Paquin. Les sous-stations de distribution à ShawbrIDGE, Piedmont et Ste-Adèle raccordées à cette ligne, furent converties à 69,000 volts.

On construisit à Maniwaki une sous-station de distribution pouvant opérer à 69,000 volts et la sous-station de Gracefield fut réaménagée pour le même voltage. Une sous-station rurale a été ajoutée à Baie de Rigaud. La capacité des sous-stations de Campbell's Bay, Bryson, Gatinéau, Papi-neauville, St-Canut, Ste-Marthe, Ste-Marie, ShawbrIDGE, Piedmont, Ste-Adèle et St-Jovite fut haussée, ainsi que celle de Paugan qui alimente la ligne allant à Maniwaki.

On a commandé une sous-station mobile, sur remorque, et équipée de commandes à divers voltages, pour pouvoir rétablir le service promptement, à n'importe quel endroit dans le réseau, au cas de faillite d'un transformateur à une sous-station.

On augmenta à 13,800 volts la tension des réseaux de distribution de Maniwaki, Gracefield, Blue Sea Lake, St-Adolphe d'Howard, Mont-Tremblant et d'une partie de St-Jovite. La tension du circuit de distribution à Calumet fut haussée de 2.3 kv à 4.0 kv.

Après une étude des avantages de l'usage de tensions plus élevées pour la distribution, on a adopté comme règle additionnelle la tension de 15,200/26,400 volts lorsque le voltage de l'approvisionnement d'une sous-station est de 26,400 volts.

Afin de remplacer des disjoncteurs de vieux modèle et de basse capacité aux centrales de Chelsea et de Farmers, on commanda dix nouveaux disjoncteurs à 110,000 volts fonctionnant à l'air comprimé. Les turbines à la centrale de Chelsea furent dotées d'accessoires de lubrification automati-

Un nouvel édifice pour remiser six camions et pour service d'entreposage fut construit à Ste-Adèle. Au garage de Maniwaki, une addition fut complétée. Les bureaux de St-Jérôme furent modernisés et agrandis.

On construisit une allonge de deux étages à l'édifice du bureau-chef à Hull, pour fournir plus d'espace au personnel et aux machines à comptabilité.

On est à aménager l'intérieur des nouveaux locaux récemment achetés

Les dividendes additionnels furent payés à même l'indemnité reçue pour le système de la Compagnie au Nouveau-Brunswick.

OPÉRATIONS

Le montant global d'énergie produite et achetée au cours de l'année fut de 3,619,258,905 kilowatt-heures en regard de 3,842,864,425 kilowatt-heures pour l'exercice de 1960.

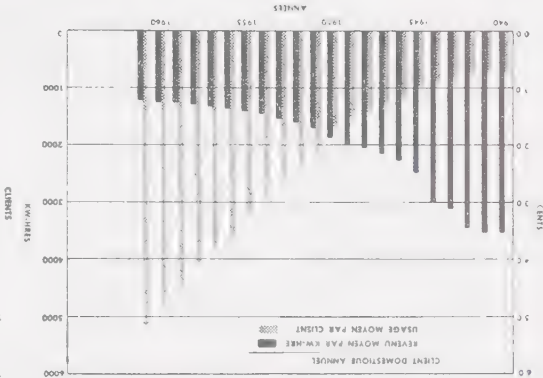
On eut besoin en 1961 de 814,000,000 kilowatt-heures pour satisfaire aux exigences de nos clients domestiques, de service général et de nos abonnés industriels au détail, tous situés dans la province de Québec, une augmentation de 10% sur 1960.

Les tableaux ci-contre montrent l'accroissement soutenu de la consommation moyenne annuelle par les clients domestiques à six fois ce qu'elle était il y a 20 ans, la baisse du coût moyen à ces clients pour le service de l'électricité et l'augmentation considérable du nombre des clients industriels, du service général et des abonnés domestiques desservis par la Compagnie dans la province de Québec.

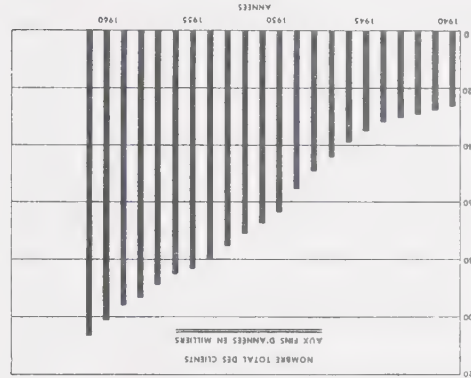
Alors que l'usage moyen par client domestique a augmenté à 5,137 kilowatt-heures, le revenu provenant des clients domestiques annuels a baissé en 1961 à 1.22¢ par kilowatt-heure de 1.25¢ par kilowatt-heure qu'il était, soit une réduction de 2.4%. Cette réduction du revenu moyen par kilowatt-heure est attribuable à l'augmentation des kilowatt-heures vendus dans les tranches les plus basses du tarif autorisé qui suivent les premiers 200 kilowatt-heures d'usage pendant le mois.

Les taux de la Compagnie autorisés par la régie sont inférieurs dans la plupart des cas à ceux qui sont applicables dans toutes autres situations analogues sur ce continent. Alors que la Compagnie a réduit de temps à autre ses charges pour le service de l'électricité, il n'y a jamais eu d'augmentation de ses taux depuis son incorporation il y a au-delà de trente-cinq ans.

TAUX ET USAGE DU SERVICE ÉLECTRIQUE



CLIENTS



ADDITIONS AUX IMMOBILISATIONS ET AMÉLIORATIONS MAJEURES

Avec le raccordement de 4,900 nouveaux clients en 1961, les 107,000 clients maintenant desservis constituent quatre fois le nombre de clients desservis en 1941.

Les sommes payées pour les additions aux immobilisations et pour les améliorations majeures en 1961 dépassèrent le chiffre de \$3,500,000.

RAPPORT ANNUEL des Administrateurs de GATINEAU POWER COMPANY

31 décembre 1961

A MM. LES ACTIONNAIRES :

Vos ADMINISTRATEURS ont l'honneur de vous soumettre présentement le rapport annuel et les états financiers pour l'exercice terminé le 31 décembre 1961 embrassant la trente-cinquième année d'exploitation de votre Compagnie.

GAINS

Le revenu consolidé d'exploitation et les autres revenus se chiffrent à \$20,467,917 en regard de \$19,961,971 pour 1960; le solde ajouté à l'excédent fut de \$4,342,259 comparé à \$4,549,328 pour 1960.

L'amélioration dans le revenu d'exploitation a résulté de ventes plus importantes d'énergie primaire à l'industrie au détail, au service général et aux abonnés domestiques. Des conditions hydrométriques moins bonnes que de coutume durant les premiers six mois ont eu comme résultat une réduction considérable dans la vente d'énergie excédentaire. Les frais d'opération et des impôts plus élevés, ainsi que l'entretien additionnel pour réparer les dommages causés par la tempête de verglas qui s'est abattue sur les divisions de Vaudreuil, Lachute, St-Jérôme et Rawdon en février, ont tous contribué à augmenter les dépenses.

SITUATION FINANCIÈRE

Au cours de l'année, la Compagnie a racheté pour \$209,000 montant principal d'obligations, et \$100,000 de billets par séries, qui ont été rendus au fiduciaire. En plus, la Compagnie a payé le solde de \$148,000 qui restait pour rembourser complètement les débentures à fonds d'amortissement $2\frac{3}{4}\%$ échéant le 15 juin 1961. A la fin de l'exercice, la Compagnie détenait \$2,213,000 montant principal de ses valeurs en prévision de futurs fonds d'amortissement, lesquels seront de \$1,535,056 pour 1962.

La Compagnie en est arrivée à une entente avec la "New Brunswick Electric Power Commission" par laquelle elle a reçu un montant total de \$12,500,000 en règlement de sa réclamation pour l'indemnité pour son système du Nouveau-Brunswick acquis par la Commission. De cette somme, un montant de \$9,750,930 fut payé en 1960 et le solde de \$2,749,070 fut reçu en novembre 1961. De plus, la Commission a payé à la Compagnie \$839,384 pour l'intérêt.

DIVIDENDES

Les dividendes trimestriels réguliers furent payés sur les actions privilégiées 5% et $5\frac{1}{2}\%$.

A part des dividendes trimestriels se chiffrant à \$1.60 l'action payés sur les actions ordinaires, deux dividendes additionnels, chacun consistant en 30¢ en espèces et une action ordinaire (évaluée à \$1.20) de Entreprises Gelco Ltée.—Gelco Entreprises Ltd., furent payés le 29 décembre 1961 et le 1er janvier 1962 aux actionnaires inscrits au registre le 1er décembre 1961.

GATINEAU POWER COMPANY

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Direction

G. GORDON GALE	Président du Conseil et Président
IRWIN L. MOORE	Vice-Président
C. N. SIMPSON	Vice-Président et Gérant Général
A. CODE BRITTAINE	Vice-Président et Trésorier
ALAN BROWN	Vice-Président Commercial
ANDRÉ E. GADBOIS	Vice-Président et Secrétaire

Administrateurs

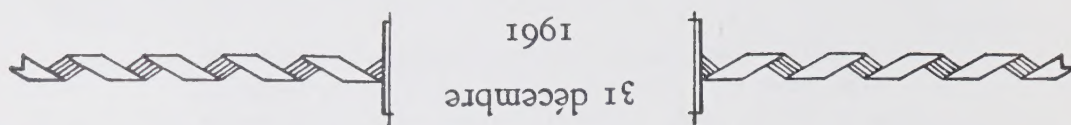
A. CODE BRITTAINE	ARTHUR N. CARTER, M.C., C.R.	JACQUES DE BILLY, C.R.	VICTOR M. DRURY	G. GORDON GALE	A. G. S. GRIFFIN
LT.-COL. W. FRASER HADLEY, E.D., C.D.	WM. K. K. JACOBS, JR.	DUNCAN K. MAC TAVISH, O.B.E., C.R.	IRWIN L. MOORE	JOHN G. PORTEOUS, C.R.	LUCIEN G. ROLLAND
C. N. SIMPSON					

Avocats-Conseils

HOWARD, GATE, OGILVY, BISHOP, COPE, PORTEOUS & HANSARD

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Le présent rapport et ses différents bilans ne sont que pour la commodité des actionnaires de Gatineau Power Company, et ne doivent pas servir de directive dans l'achat ou la vente, l'offre ou la sollicitation d'aucun achat ou vente de valeurs quelconques.



31 décembre
1961

COMPANY

POWER

GATINEAU

de

RAPPORT ANNUEL

1961



GATINEAU POWER
de
COMPANY
RAPPORT ANNUEL